

Housing Chapter Task Force

Saint Paul Comprehensive Plan 2008

8th meeting

June 6, 2007

Agenda

- Introductions - Jim Bellus, chair
- Review of Housing Affordability and Demographics Survey Results
 - PED staff
- Discussion on How to Allocate City Subsidy to **Housing Activities**
 - Jim Bellus
- Discussion on **Housing Types & Densities**
 - Jim Bellus

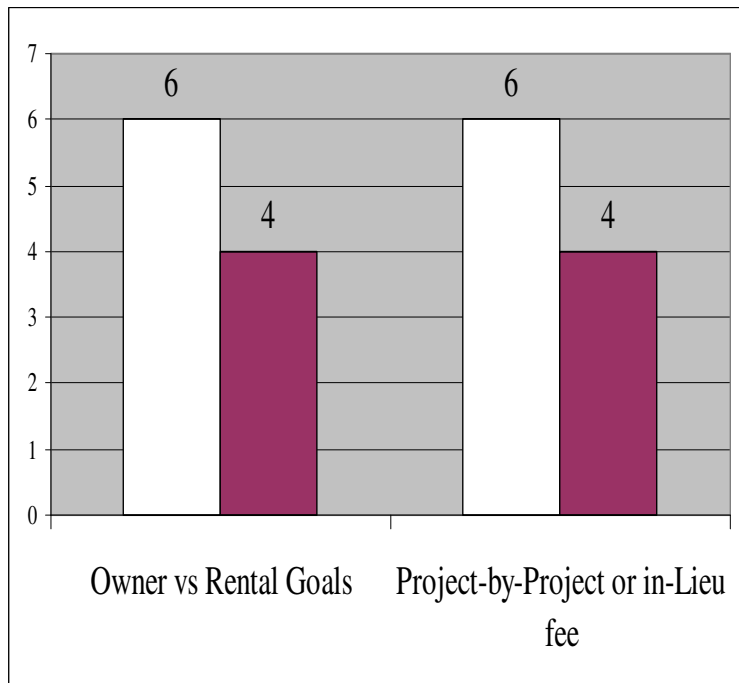
Hsg Affordability and Demographics Survey

Question 1. Affordability Policy

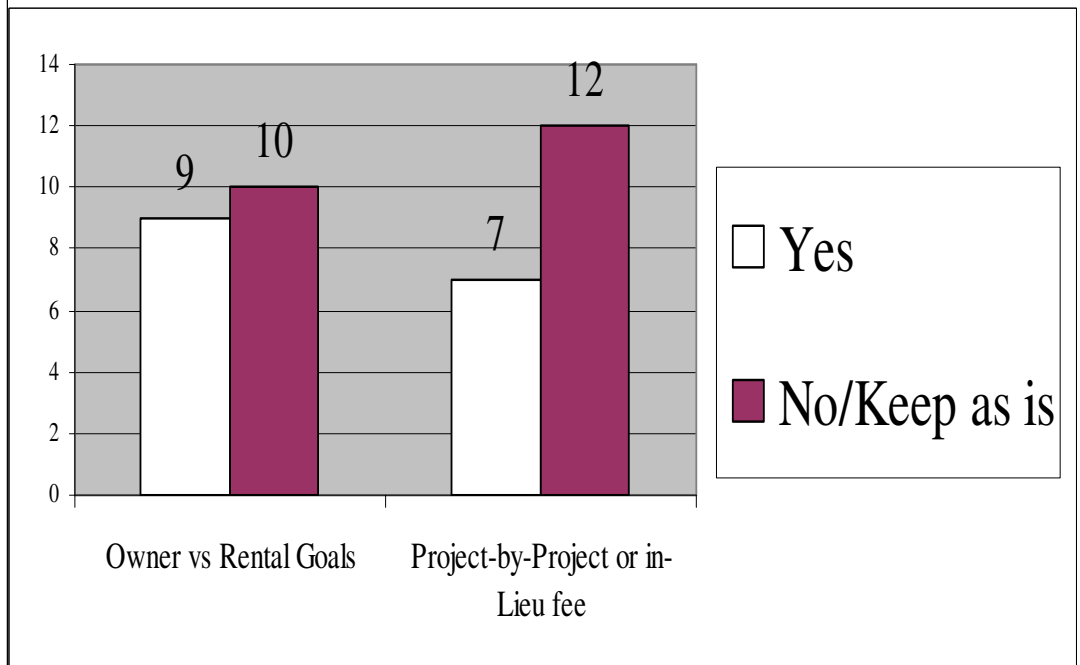
a. Ownership vs Rental Goals

*b. Project-by-project requirement **or** in-lieu fees*

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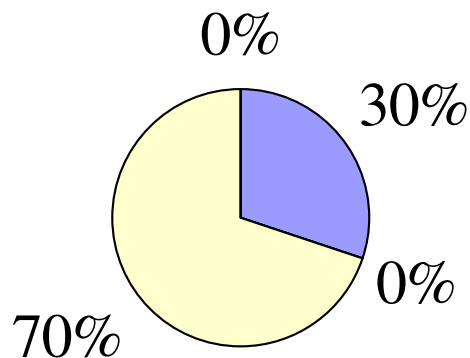


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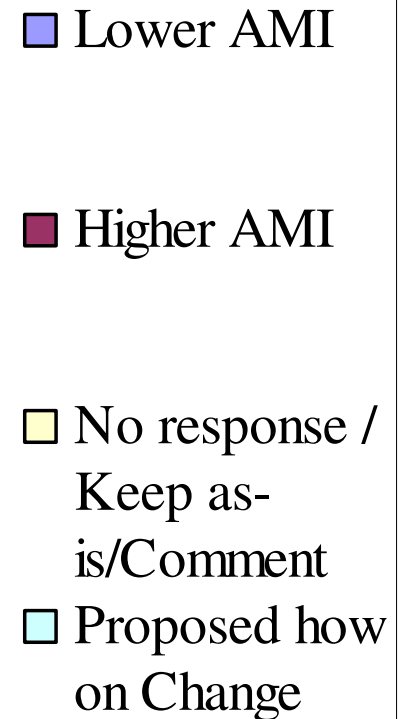
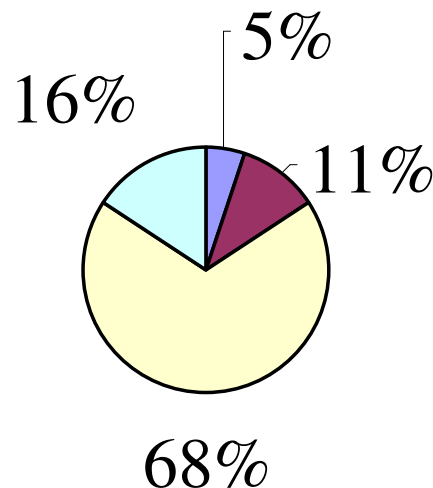
Question 1. Affordability Policy

c. The percentage of AMI to be used as “Affordability” measure should be...

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Question 1. Affordability Policy

Summary of Comments:

- We should be **clear** to developers about our affordability expectations.
- **Large affordable family rental** should be top priority.
- We should ensure that **all districts** have affordable ownership units.
- The City should be **rehabbing existing affordable multi-family** units.
- The City's housing goals should be **coordinated with East Metro's** affordable housing goals.
- Other ownership structures, like **land trust and co-ops**, should be examined.

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Question 1. Affordability Policy

Proposed alternatives:

- 20% of new ownership should be affordable to 50% of AMI, and 20% of new rental should be at 30%.
- 75% of units should be affordable to 80% of AMI.
- Ownership should use 80% of AMI; rental should remain at 10% at 50% of AMI and 10% at 30% of AMI
- For units with HRA or City money,
 - Ownership: 30% affordable at 80% of AMI;
 - Rental: 30% total affordable
 - 10% at 20% of AMI, 10% at 30% of AMI, and 10% at 60% of AMI

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Question 5. Other Comments on Affordability

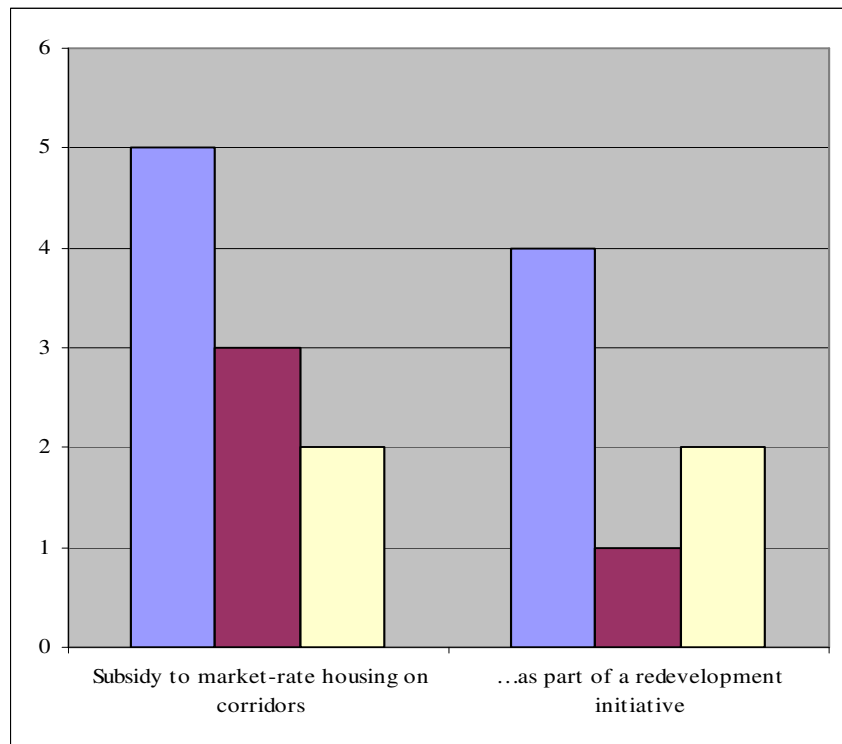
- Make sure targeting of funds doesn't result in **over-concentration** of assisted units.
- St. Paul has more than its share of affordable housing units. We need to encourage our **seniors** and **middle-class** to stay in the City by providing good housing options for them.
- City should consider counting **ownership** units at **60% or 80% of AMI**. CDCs have a hard time even finding buyers who qualify at 80%.
- City should try to maintain its value **compared with the E Metro** area on a square-foot basis.
- Given the limited funds, City should only fund projects that address both **affordable housing and neighborhood revitalization**.
- Progress on affordable units should be monitored **district by district**. Also, extra incentives should be given for **culturally-sensitive housing** projects.

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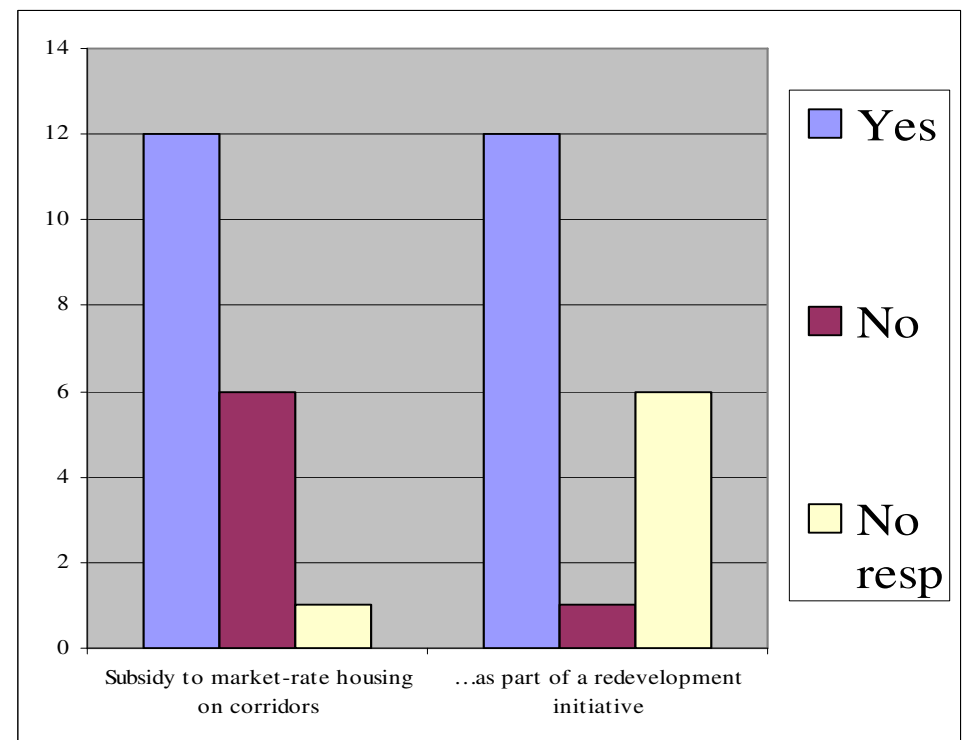
Question 2. Subsidy on market-rate housing...

...along corridors, or as part of a redev initiative

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Question 2. subsidy on market-rate housing

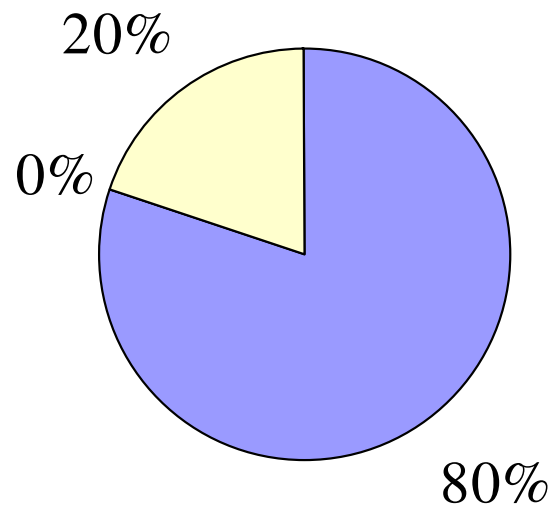
Summary of Comments:

- About 1/3 of PED staff said land write-down is an acceptable subsidy; the same number said TIF was acceptable.
- Half of the task force members said TIF was acceptable.
- There should be clear requirements on affordable units.
- The Invest St. Paul Target Areas should be the only areas where market-rate developments subsidized.
- Will depend on whether there is another public purpose to be met, such as contamination clean-up, relocation, energy efficiency, etc.
- We need to rent or sell to persons with higher incomes in order to turn around a blighted neighborhood.
- TIF is OK, but not 100% of the increment.
- Only appropriate if it spurs other redevelopment.
- Subsidy on market-rate housing could help implement adopted plans.

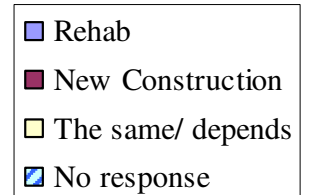
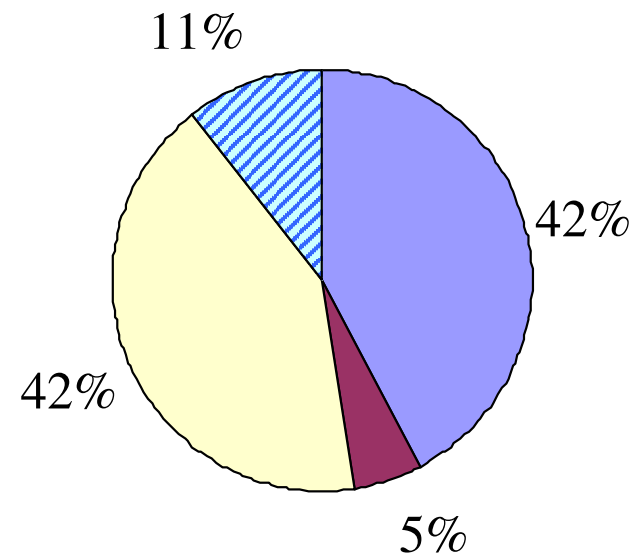
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Question 3. Which is more important, rehab or new production?

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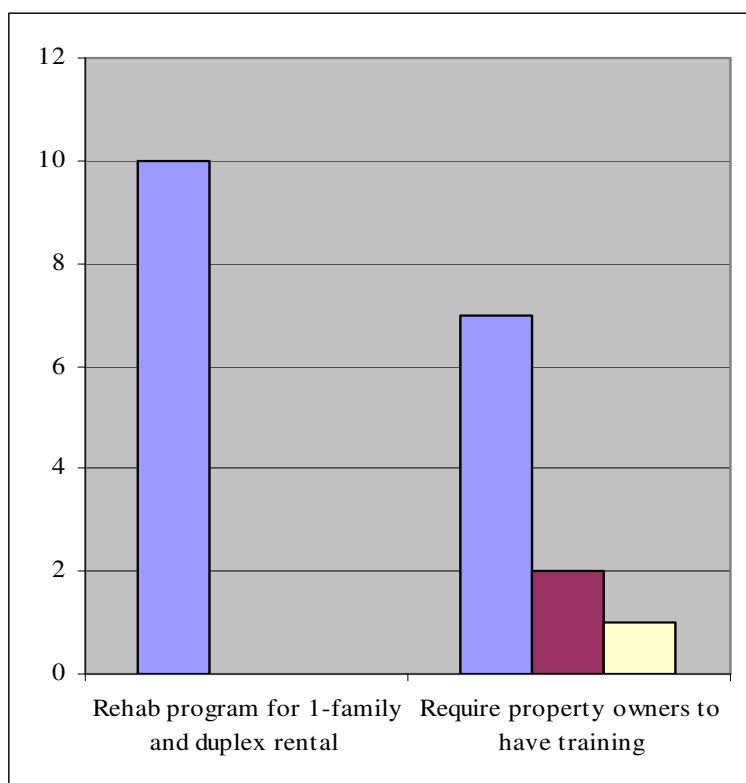
Summary of Comments:

- We should develop an **annual housing action plan** and determine annually the need/priority for each type of development.
- Rehab should be the priority except where it would be more **efficient or economical** to demolish the building and build new.
- We should invest in the existing housing stock because it is more **cost effective** and already part of **neighborhood fabric**.
- Rehab stock is more accessible to **low and middle-income people**.
- No rehab where pockets of residential may be candidate for redev.
Yes, where neighborhoods have a viable future and vacancy rates are high and housing conditions are poor.
- Rehab of **existing rental properties** is a much more pressing problem.

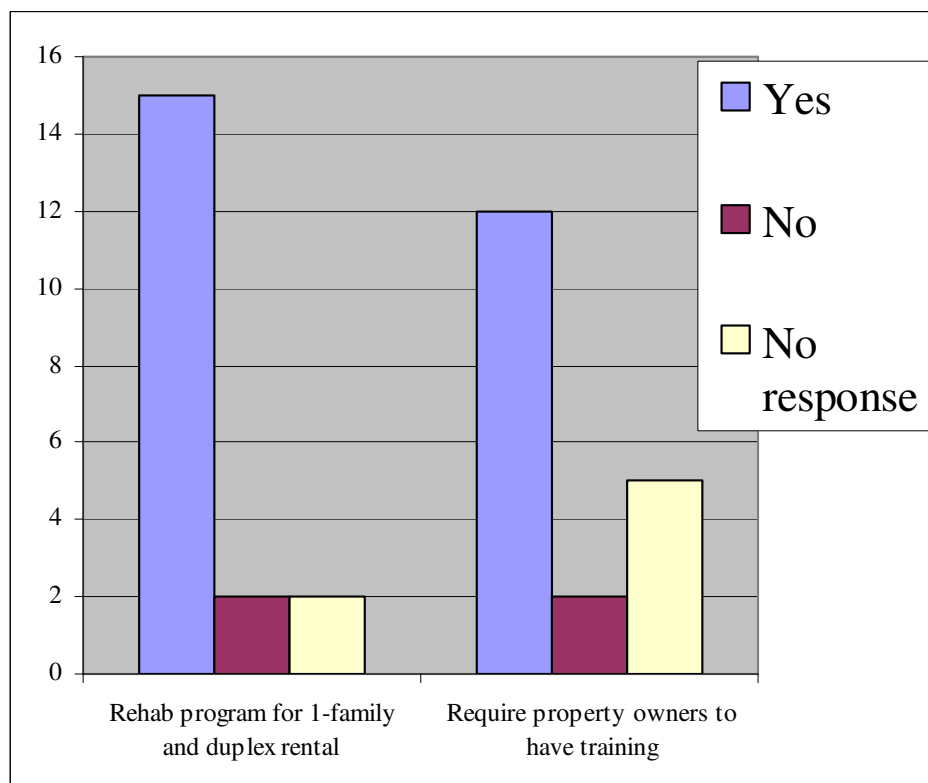
Hsg Affordability and Demographics Survey

Question 4. Should the City explore a pgm for rehab of SF and duplex rental? Should such a program require owners' training?

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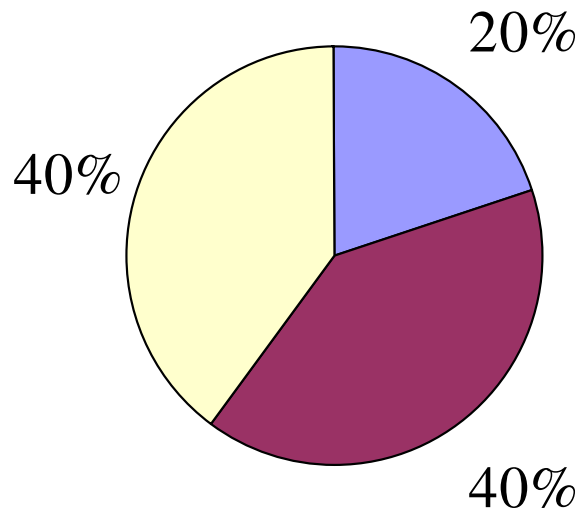
Comments:

- Marketing of training should be done in a **culturally appropriate manner**
- Owners should be asked to specify their experience in management to their lenders.
- The program should also increase **code enforcement**
- The landlords need to show that they care about their properties and communities (**not slumlords**)
- Make owners **pay fines** if they don't keep up the property after using City funds
- Assistance could **potentially encourage conversion from ownership to rental**. Also, it may be too challenging to manage effectively.

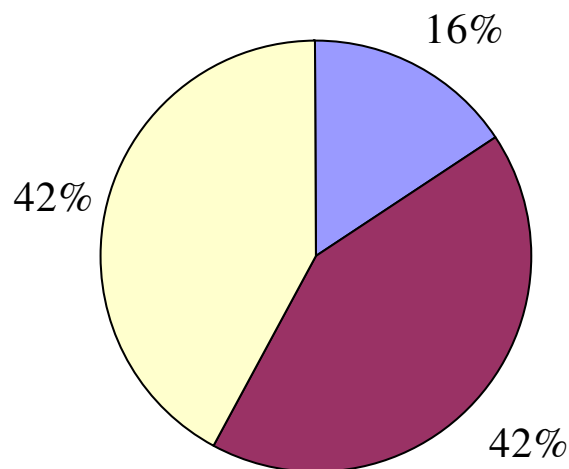
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Question 6. Priority for 1-2 BR vs 3+ BR

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Question 6. Priority for 1-2 BR vs 3+ BR

- Nearly half of the Task Force members said that 3+ BR units should be located in townhomes and single-family homes, while half said it would depend on each situation.
- About 70% of PED staff who responded said that 3+ BR should be in townhomes and single-family homes.

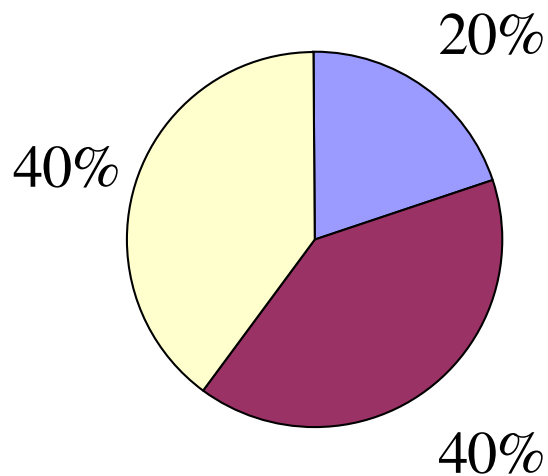
Summary of Comments:

- Large immigrant families are still in need of affordable units with 3 or more bedrooms.
- We need a citywide market study on demographics & family housing.
- Construction of 3+ BR in apartments are costly to build and maintain.
- Keep building small units, rehab houses for larger units.
- Children need room to play (yard space).
- Both 1-2 BR and 3+ BR are important.

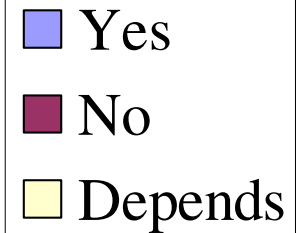
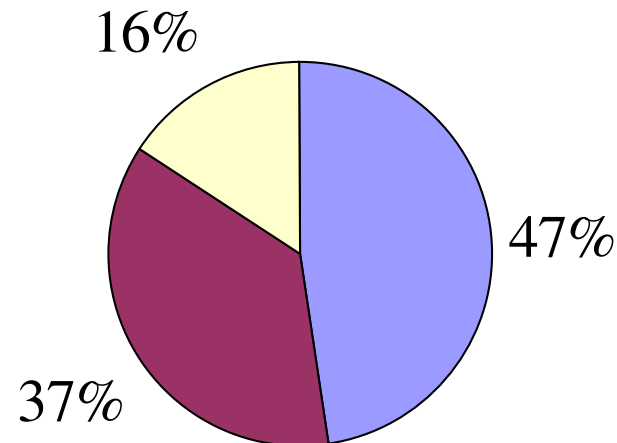
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Question 7. Should priority be given to senior housing?

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Question 7. Priority for senior housing?

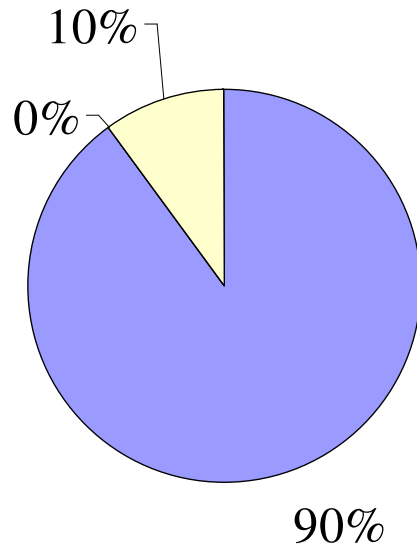
Summary of Comments:

- The City should focus on seniors and create a broader strategy that examines housing, neighborhood amenities and develops a workforce to address the needs.
- The need for **affordable family rental** is so great that it should be top priority.
- We need **more than subsidy** for seniors. Need to expand beyond typical “senior” housing & offer variety of models.
- Need to address **low-income & transit-dependent seniors**.
- Should also look into **culturally-sensitive senior housing**
- Need to establish **critical mass** so that seniors can live near services.
- Senior housing should be **incorporated** in developments with **mixed housing types**.

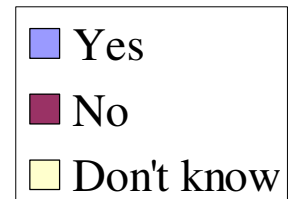
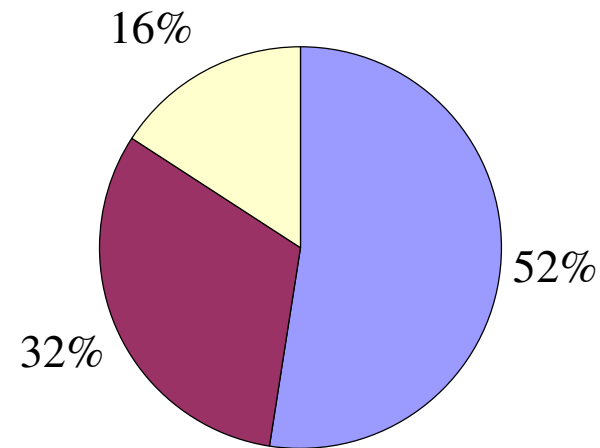
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Question 8. Should Emerging Market Ownership Programs be a priority?

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Question 8. Priority for Emerging Markets Ownership Programs?

Summary of Comments:

- The EM have needs that are specific to the **different cultures** represented.
- Absolutely. Should also promote **home ownership in K12** education.
- Not necessarily. The City should study the **needs** and **income levels** of EM instead of just focusing on ownership opportunities.
- There needs to be a **healthy mix of rental and ownership**. Should also explore “live/work” space for businesses.
- We need to **redefine** effective ownership programs.
- Need to pay special attention to **homeowner education** and **cultivation of future owners**. Needs new forms of **rental to ownership**.
- It's the surest way to **build wealth and strengthen** the whole community.
- EM are the **primary market** in many of our neighborhoods.

Discussion on Resource Allocation

On which housing activities should the City spend its housing subsidy for the next 10 years?

1. Rehab of Single Family detached homes
2. Removal and Replacement of Vacant and/or Functionally Obsolete Housing
3. Homeless and/or Permanent Supportive Housing
4. Public Housing & Preservation of Affordable Low Income Housing Tax Credit Housing
5. Market-Rate Housing Subsidy: New Construction Rental **or** Ownership
6. Low/Moderate Income Housing Subsidy: New Construction **Rental**
Serving Households at or below 30-80% of Area Median Income
7. Low/Moderate Income Housing Subsidy: New Construction **Ownership**
Serving Households at or below 30-80% of Area Median Income

Discussion on Housing Types & Density

Which housing types (at which densities) should be built **with City subsidy** over the next 10 years?

1. Single Family Stand Alone (detached)
2. Duplex/Triplex/4-plex
3. Townhomes
4. Low Rise Apartments (3-6 stories)
5. Medium-High Rise (6+ stories)

Single Family Stand Alone (detached)



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Duplex/Triplex/4-plex



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Townhomes



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Low Rise Apartments (3-6 stories)



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Medium-High Rise (6+ stories)



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Next Steps

- Meeting topics schedule:
 - **June 20:** Housing Finance (Rondo Library)
 - **July-August:** Staff drafts plan
-
- September-December: Task Force reviews plan

Questions? Comments?

